

Wisconsin State Legislature

SENATE CHAIR
ALBERTA DARLING

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
ROBIN VOS

309 East, State Capitol
P.O. Box 8593
Madison, WI 53708-8953
Phone: (608) 266-9171

Joint Committee on Finance *100th ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: May 17, 2011

Re: DCF Report to JFC

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



201 East Washington Avenue, Room G200
P.O. Box 8916
Madison, WI 53708-8916

Governor Scott Walker
Secretary Eloise Anderson

Secretary's Office

May 17, 2011

Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Robin Vos, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

RECEIVED
MAY 17 2011
BY: ST. FINANCE

Dear Senator Darling and Representative Vos:

This letter provides the Department of Children and Families' May 2011 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, April 2011

Expenditures related to fraud prevention and investigation: \$197,600

The above amount represents the April 2011 costs of the Child Care Fraud Detection and Investigation Unit, information technology programming costs, and an estimate of county expenditures from their DCF allocations for investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$42,500

The April 2011 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$509,065

In April 2011, DCF collected \$93,770 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$415,294 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are owed to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

T 608.266.8684 F 608.261.6972 dcp.wi.gov

No overpayments and/or restitution collections have been reported by other agencies in April 2011 to DCF.

Providers Suspended from the Wisconsin Shares Program, April 2011

During the month of April, DCF suspended payments to nine child care providers. Eight were from Milwaukee County and one was from Dane County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during April a total of \$59,490 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through April the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$7,388,652.

Automatic Authorization of Child Care Hours System

Number of changes made to authorized hours during the month: 2,141 changed authorizations
This figure reports the total number of active authorizations in April that were reduced by the automated system.

Total reduction made to the authorized hours during the month: 14,548 hours
This figure reports the total number of hours taken off of active authorizations in April that were reduced by the automated system.

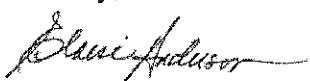
Estimated savings in the month due to the automated authorization adjustment system: \$105,700
This is an estimate of the maximum potential savings for those active authorizations in April that were reduced by the automated system.

Were child care quality improvements identified via use of the new system? To date, no.
The system was launched on May 15, 2010 and was designed primarily to improve consistency in the authorization process rather than to identify opportunities for making quality improvements.

Estimated annualized ongoing costs to operate the automated system: \$50,000
The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Eloise Anderson
Secretary

cc: Mike Huebsch, Department of Administration
Bob Lang, Legislative Fiscal Bureau

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Auntie Jackie's Day Care Inc	Milwaukee	04/08/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program; and 4) prior licensing citations.	Yes	\$1,433.76	No	Yes

Wisconsin Shares Provider Suspensions
April 2011

10/15/2010 at 9:02 am and 2:40 pm and was unsuccessful in gaining access to the facility. According to the provider's attendance records, 1 child should have been present at the time the Department was unable to gain access to the child care center.

The Department has been unable to verify the actual care of children by the provider. The Department attempted to visit the facility on 12/13/2010 at 11:33 am and was unsuccessful in gaining access to the facility. According to the provider's attendance records, 1 child should have been present at the time the Department was unable to gain access to the child care center.

The unsuccessful attempt(s) to verify the presence of children attending the provider's facility raises a strong and reasonable suspicion that the provider was billing the Wisconsin Shares program for children who did not actually attend the child care facility.

Historically:

- Citations were issued by the Department on 11/30/2009 for failing to maintain current and accurate daily attendance records.
 - A forfeiture notice was issued by the Department on 12/22/2009 for failing to maintain current and accurate daily attendance records.
- The Department has evidence that the provider billed for more hours than children actually attended and billed for children who were not in attendance.

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Milestone Child Development Ctr	Milwaukee	04/08/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$6,761.92	Yes	No

The Department has been unable to verify the actual care of children by the provider. The Department attempted to visit the facility on 3/1/2011 at 12:45 pm and was unsuccessful in gaining access to the facility. According to the provider's attendance records, 6-8 children should have been present at the time the Department was unable to gain access to the child care center.

The Department has been unable to verify the actual care of children by the provider. The Department attempted to visit the facility on 12/13/2010 at 8:35 am and was unsuccessful in gaining access to the facility. The Department

Wisconsin Shares Provider Suspensions
April 2011

attempted to visit the provider's facility on 12/13/2010 at 12:30 pm and was successful in gaining access to the facility. According to the provider's attendance records, 2 children were in attendance on 12/13/2010 and the word "State" along with an arrow drawn down the attendance record for that date. When the Department compared Mondays in prior weeks, the attendance records reflect full attendance, the only date where attendance was reduced, was on 12/13/2010.

The unsuccessful attempt(s) to verify the presence of children attending the provider's facility raises a strong and reasonable suspicion that the provider was billing the Wisconsin Shares program for children who did not actually attend the child care facility.

The Department has evidence that the provider:

- Attendance records appear to be pre-filled, this was observed during a visit of the provider's facility on 9/24/2009, where 3 children were present, however 7 children were signed in as in present.
- Billed for more hours than children actually attended.

- Billed for children who were not in attendance.

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Oversharing Established	Referred to Law Enforcement	Collection
Rising Stars Family Day Care Center	Milwaukee	04/08/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$17,947.80	No	Yes

**Wisconsin Shares Provider Suspensions
April 2011**

	<p>did not actually attend the child care facility.</p> <p>The Department has evidence that the provider:</p> <ul style="list-style-type: none">• Billed for children who did not appear on the attendance records.• Billed for more hours than children actually attended.• Billed for children who were not in attendance.• Maintained multiple versions of attendance records for the weeks of 7/4/2010-7/17/2010. When the Department questioned the provider on 3/9/2011 about why she created multiple versions of the attendance records where the same children had different sign-in and sign-out times she was unable to provide an explanation.
--	---

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped	Overspending Established	Referred to Law Enforcement	Collection
Close Nit Care	04/15/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	No	\$2,427.05	Yes	

The Department has been unable to verify the actual care of children at the provider. The Department attempted to visit the facility on 5/14/2010 8:30 am, 4/29/2010 1:50 pm, and 4/28/2010 11:20 am; and was unsuccessful in gaining access to the facility. The unsuccessful attempt(s) to verify the presence of children attending the facility raises a strong and reasonable suspicion that the provider was billing the Wisconsin Shares program for children who did not actually attend the child care facility.

The Department has evidence that the provider:

Wisconsin Shares Provider Suspensions
April 2011

	<ul style="list-style-type: none">• Billed for more hours than children actually attended.
	<ul style="list-style-type: none">• Billed for children who were not in attendance.

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Day In Day Out Day Care	04/15/2011	The Department of Children and Families suspended all Wisconsin Shares Payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$7,654.92	No	Yes

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Grins & Giggles Child Care	04/15/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p>	Yes	\$7,073.48	No	<p>The Department has evidence that the provider:</p> <ul style="list-style-type: none"> • Billed for children who were not in attendance. • Billed for more hours than children actually attended. <p>Dane County previously audited the provider's attendance records and the provider's billing records finding that there were significant hours improperly billed to Wisconsin Shares which is contrary to § 49.155 (6m): From the period 7/19/2009 through 3/6/2010, the provider was overpaid \$30,564.62.</p>

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
House Of Angels	04/15/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to have attendance records available at the child care site when the department requested to review them; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	No	\$28,654.54	Yes	

Wisconsin Shares Provider Suspensions
April 2011

- exceeded 672 hours:
- 5/16/2010 673 hours of attendance reported
 - 5/23/2010 673 hours of attendance reported
 - 6/13/2010 693 hours of attendance reported
 - 6/20/2010 693 hours of attendance reported
 - 6/27/2010 693 hours of attendance reported

The Department reviewed the provider's billing records for the identified periods of time above. Contrary to statute and rule, the provider billed the Wisconsin Shares program for more hours of care than the provider was authorized to provide according to the provider's child care license limit of 8 children in care at any one time during the provider's licensed hours of operation. The provider billed those excessive hours for all of the weeks listed above.

The Department has evidence that the provider:

- Billed for children who were not in attendance.
- Billed for more hours than children actually attended.

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overspent Established	Referred to Law Enforcement	Collection
							Law
Terri's Teaching Center	Milwaukee	04/22/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$5,639.05	No	

The Department has evidence that the provider:

- Billed for children no longer attending the provider's child care center, even after the parents stopped bringing their children to the provider's child care center.
- Billed for children who were not in attendance.
- Billed for more hours than children actually attended.

Wisconsin Shares Provider Suspensions
April 2011

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped	Overpayment Established	Referred to Law Enforcement	Collection
Ready Set Learn CC	Milwaukee	04/29/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$6,066.66	Yes	No
			The Department has evidence that the provider:				
			<ul style="list-style-type: none"> • Billed for children no longer attending the child care center, even after the parents stopped bringing their children to the child care center. • Billed for more hours than children actually attended. • Billed for children who were not in attendance. • Maintained attendance records anticipating children's attendance, rather than being an actual record of children's attendance. 				

Wisconsin Shares Provider Suspensions
April 2011

- | |
|---|
| <ul style="list-style-type: none">Was licensed to provide licensed child care for no more than 680 hours per week (capacity 8 children, 5 days/week, open 6:00 am – 11:00 pm [17 hours] 8x5x17=680) On the following week the provider reported providing child care that exceeded 680 hours: |
|---|

o 8/22/2010 714 hours of attendance reported

- | |
|--|
| <ul style="list-style-type: none">The Department reviewed the provider's billing records for the identified period of time above. Contrary to statute and rule, the provider billed the Wisconsin Shares program for more hours of care than authorized to provide according to the provider's child care license limit of 8 children in care at any one time during licensed hours of operation. The provider billed those excessive hours for the week listed above. |
|--|